SUSTAINABILITY **REPORT**

BOARD STATEMENT

Dear Stakeholders,

The Board of Directors (the "**Board**") of LY Corporation Limited (the "**Company**" or "**LY Corporation**", together with its subsidiaries, the "**Group**", "**we**" or "**us**"), is pleased to present the Group's sustainability report (this "**Report**") for the financial year ended 31 December 2024 ("**FY2024**").

The Group remains steadfast in our commitment to sustainability. As our business grows and expands, our impact on society also increases. Recognising this influence, we seek to better society by respecting human rights, minimising our environmental footprint, and promoting sustainable practices. Our belief in a greener, more sustainable future drives us to continuously improve our processes and operations. In FY2024, the solar photovoltaic systems implemented at various manufacturing facilities in Batu Pahat generated 3,590.4 megawatt hours of active solar energy. This initiative reduced our carbon emissions by approximately 2,722 tonnes.

Being in the wooden furniture industry, we acknowledge that overcoming climate-related challenges is essential. Key challenges include ensuring regulatory compliance and adopting responsible wood sourcing practices. Despite these difficulties, we view them as opportunities for growth and improvement. For example, the Group's practice of using wood waste as fuel in our furnaces reduces waste while conserving energy and natural resources.

Our Sustainability Steering Committee ("**SSC**") plays a crucial role in overseeing and updating the Board and Management on the Group's policies, strategies, and initiatives related to sustainability measures. The SSC conducts an annual materiality assessment to identify critical topics affecting our sustainability efforts and integrates these issues into our strategic direction. Meanwhile, our Sustainability Working Committee ("**SWC**") implements the Group's sustainability initiatives. As we progress on our journey, we will regularly review and revise our performance indicators and targets to align with our objectives. We will also strengthen stakeholder engagement to enhance our efforts and build a long-term, sustainable business.

We express our utmost gratitude to the Management, staff, customers, suppliers, and business partners for their unwavering support and commitment to our sustainability goals. We aim to continue creating greater value for all stakeholders in the coming year.

The Board of Directors

LY Corporation Limited

SUSTAINABILITY **REPORT**

ABOUT THIS REPORT

This Report is published annually to outline the Group's sustainability approaches, initiatives and strategies. The information presented in this Report covers the reporting period from 1 January 2024 to 31 December 2024 ("**FY2024**"), unless stated otherwise. The sustainability reporting process has been reviewed by the Board and internal auditors in compliance with Rule 711B of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. This Report has not been subjected to external assurance.

REPORTING FRAMEWORK

This Report is prepared with reference to the Global Reporting Initiative Standards ("**GRI Standards**"), Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations and published in pursuant to 711(A) and 711(B) Listing Manual Section B: Rules of Catalist of the SGX-ST. The Company has selected the GRI Standards as it is a globally recognised and widely adopted framework, which enables its stakeholders to compare sustainability performance against industry peers.

The contents of this Report were developed using the four (4) reporting principles established by the GRI Standards as follows:

1. Stakeholder inclusiveness: The Report's context was determined based on engagement and discussions with various stakeholders that the Group considers to be accountable.

2. Sustainability context: The Report covers the Group's performance in the context of sustainability which includes Economic, Environmental, Social and Governance ("**EESG**") aspects.

3. Materiality: Material issues in the Report are determined through stakeholder engagements and internal discussions.

4. Completeness: The Report covers the impacts of the Group's sustainability efforts during the reporting period using all relevant information collected.

SCOPE OF REPORT

This Report covers all aspects of the Group's furniture designing, manufacturing, trading and sales in Malaysia for FY2024, which is aligned with its financial statements and includes the following entities:

• LY Furniture Sdn. Bhd. ("**LYFSB**") and its subsidiaries, Leyo Manufacturing Sdn. Bhd. ("**LEM**") and LY Hostel Management Sdn. Bhd. (formerly known as LY Global Hub Sdn. Bhd.) (collectively "**LY Furniture**");

• Leyo Holdings Sdn. Bhd. and its subsidiary, Titan Hardware Sdn. Bhd. (collectively "**LHG**"); and

• LY Unity Sdn. Bhd. and its subsidiaries, Unity Kitchen (KL) Sdn. Bhd., Unity Manufacturing Sdn. Bhd. and Unity Kitchen Design Sdn. Bhd. ("**LY Unity Group**")[1].

FEEDBACK

This Report forms part of the Annual Report for FY2024 ("**Annual Report 2024**") and can be viewed or downloaded from https://www.lycorp.co. As part of the Group's continued efforts to improve its reporting, it welcomes stakeholders to submit their feedback to the following personnel:

• Mr. Tan Yong Chuan, Chief Executive Officer (CEO) at tanyc@lyfurniture.com

• Ms. Teo Gin Lian, Chief Financial Officer (CFO) at teogl@lyfurniture.com

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[1] Acquisition was completed on 1 August 2024. For LY Unity Group, EESG data included in this Report is limited to operations commencing from 1 August 2024 onwards.

SUSTAINABILITY **REPORT**

KEY HIGHLIGHTS AND TARGETS

Dimensions	Material Topics	Targets	FY2024 Achievements
Economic	Economic Agility	Perpetual: • To expand the Group's presence into new markets and strengthen its product offerings.	• Participated in the Dubai Wood Show 2024. • Completed the acquisition of LY Unity Group on 1 August 2024. LY Unity Group specialises in the kitchen cabinet and wardrobe with presence in Malaysia.
	Quality of Product and Services	Perpetual: • To achieve no more than five (5) significant customer chargeback cases.	• Achieved zero cases of significant chargeback under LY Furniture and LHG (FY2022 and FY2023: zero cases).
	Customer Satisfaction	Perpetual: • To achieve an average of above 4.0 across all three (3) aspects for the customer satisfaction survey for LY Furniture.	• Obtained an average score of 3.78 out of 5 across all three (3) aspects for LY Furniture (FY2022: 4.12 and FY2023: 4.09).
Environmental	Climate Change	Short-Term (1-3 years) • To maintain zero incidents of environmental policy related fines. • Continue with sustainable practices in office spaces.	• Monitored potential risks and opportunities that climate change poses to operations. • Tracked Scope 1, Scope 2 and Scope 3 Greenhouse Gas emissions.
		Medium-Term (by 2030) • Reduce Greenhouse Gas ("**GHG**") emission levels and emission intensities by 8% by 2030 (in comparison with 2022). • Include other categories of Scope 3 GHG emissions (e.g. employee commute).	
		Long-Term (by 2050) • Reduce GHG emission levels and emission intensities by 15% by 2030 (in comparison with 2022). • Explore other clean or renewable energy sources.	
	Energy Usage	Perpetual: • Continue venturing into efficient and renewable solar solutions to enhance our energy efficiency and reduce the environmental impact of our operations.	• Generated a total of 3,590.4 MWh of solar energy, which is equivalent to approximate 2,722 tonnes of carbon dioxide (CO_2) avoidance (FY2023: 3,572.6 MWh and 2,215 tonnes of CO_2).
	Water Consumption	Short-Term (1-3 years) • Reduce water intensities by 5% (in comparison with 2022).	• Adopted more water efficient fixtures and fittings to reduce water consumption. • Performed frequent checks and maintenance on pipes and installations to prevent potential water leakages. • Reduced water intensity by 12.0% under LY Furniture (FY2023: 8.9%).
		Medium-Term (by 2030) • Reduce water intensities by 8% (in comparison with 2022).	
		Long-Term (by 2050) • Reduce water intensities by 15% (in comparison with 2022).	

SUSTAINABILITY **REPORT**

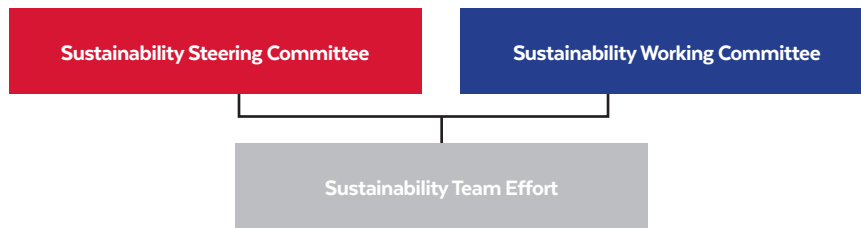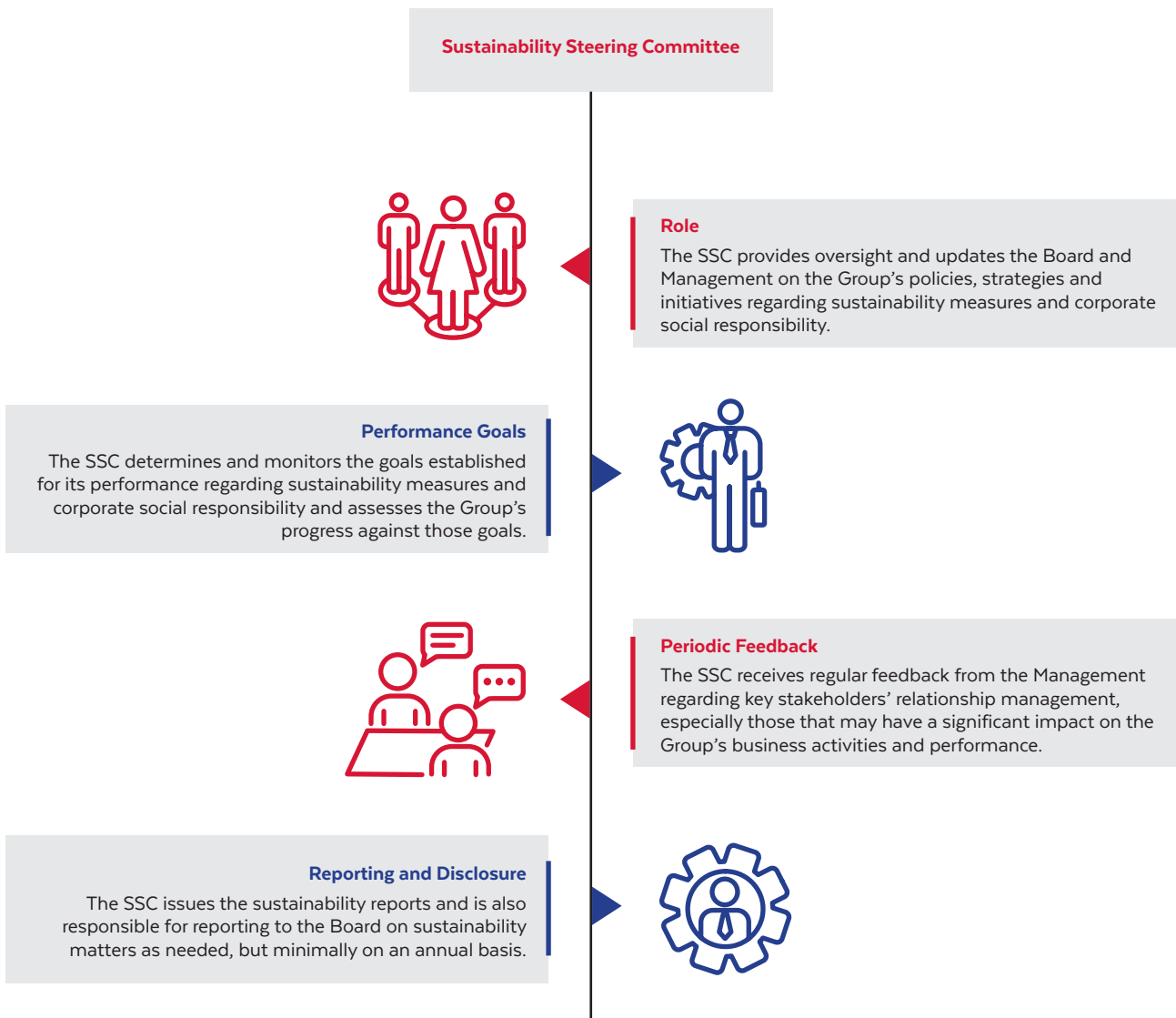| Dimensions	Material Topics	Targets	FY2024 Achievements
	Waste Management	Short-Term (1-3 years) • Reduce waste intensities by 5%.	• 159,200 kg of non-hazardous waste diverted from disposal (FY2023: 81,400 kg). • 4,898,200 kg of hazardous and non-hazardous waste directed to disposal (FY2023: 3,853,000 kg).
		Medium-Term (by 2030) • Reduce waste intensities by 8% (in comparison with 2022).	
		Long-Term (by 2050) • Reduce waste intensities by 15% (in comparison with 2022).	
	Material Use	Perpetual: • Explore ways to increase adoption of renewable sources of energy and environmental-friendly production methods.	• 99.3% of wood from sustainable source (FY2022: 98% and FY2023: 95.2%).
Social	Talent Attraction and Retention	Perpetual: • Improve employee recruitment and retention and increase ratio of local workers.	• Provided fair and competitive compensation packages to ensure that employees' well-being, and career progression are well-taken care of.
	Training and Development	Short-Term (1-3 years) • To provide an average of 8 hours of training per employee for the Group.	• Attained an average 13.9 training hours per employee (FY2022: 8.6 and FY2023: 10.0).
		Medium-Term (by 2030) • To provide an average of 12 hours of training per employee for the Group.	
		Long-Term (by 2050) • To provide an average of 15 hours of training per employee for the Group.	
	Workplace Health and Safety	Perpetual: • To achieve zero major (i.e., leave of absence of more than 4 calendar days) case of workplace injuries and fatalities.	• 2 cases of work-related injuries/ill health under LY Corporation (FY2022: zero cases and FY2023: 4).
Governance	Corporate Governance	Perpetual: • To achieve zero non-compliance with the principles of the Code of Corporate Governance.	• Complied with principles of the Code of Corporate Governance and provided explanations where there are deviations to the Code of Corporate Governance.
	Ethics, Bribery and Corruption	Perpetual: • To achieve zero cases which are unethical, fraudulent or corrupt in nature.	• Achieved zero cases which are unethical, fraudulent or corrupt in nature (FY2022 and FY2023: zero cases).
	Regulatory Compliance	Perpetual: • To achieve zero significant fines and reportable cases of non-compliance with all applicable laws, rules and regulations.	• Achieved zero significant fines and zero reported cases of non-compliance with all applicable laws, rules and regulations (FY2022 and FY2023: zero significant fines and zero reported cases).

SUSTAINABILITY **REPORT**

MANAGING SUSTAINABILITY AT LY CORPORATION

The Group recognises the critical role of a strong sustainability governance framework in ensuring accountability and transparency. Spearheading these efforts, the Sustainability Steering Committee ("**SSC**"), with support from the Sustainability Working Committee ("**SWC**"), actively engages in the execution and monitoring of the Group's sustainability practices and performance. The SSC comprises Heads of Departments from Finance, Sales & Marketing, Administration, Purchasing & Procurement, and Operations, reflecting a comprehensive approach to sustainability oversight.

Sustainability Steering Committee	Sustainability Working Committee

Sustainability Team Effort

SUSTAINABILITY STEERING COMMITTEE

Sustainability Steering Committee

Role
The SSC provides oversight and updates the Board and Management on the Group's policies, strategies and initiatives regarding sustainability measures and corporate social responsibility.

Performance Goals
The SSC determines and monitors the goals established for its performance regarding sustainability measures and corporate social responsibility and assesses the Group's progress against those goals.

Periodic Feedback
The SSC receives regular feedback from the Management regarding key stakeholders' relationship management, especially those that may have a significant impact on the Group's business activities and performance.

Reporting and Disclosure
The SSC issues the sustainability reports and is also responsible for reporting to the Board on sustainability matters as needed, but minimally on an annual basis.
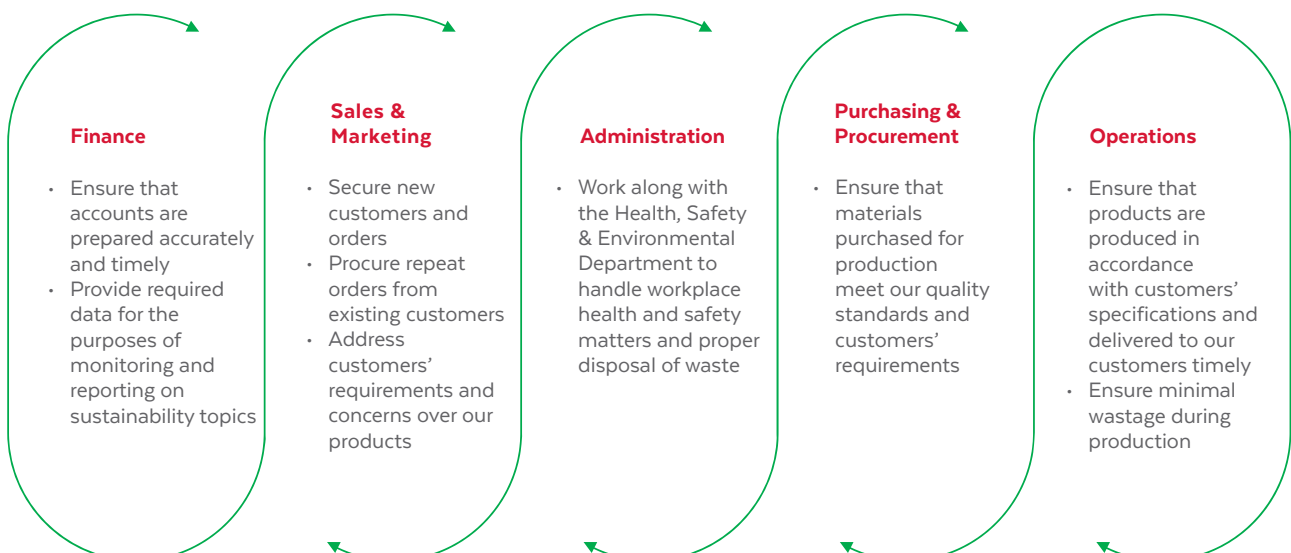
SUSTAINABILITY **REPORT**

SUSTAINABILITY WORKING COMMITTEE

The SWC comprises of representatives from various departments, including Finance, Sales & Marketing, Administration, Purchasing & Procurement and Operations. Under the guidance of the SSC, these representatives are responsible for the execution of the Group's sustainability initiatives.

Sustainability Working Committee

Finance	Sales & Marketing	Administration	Purchasing & Procurement	Operations
• Ensure that accounts are prepared accurately and timely • Provide required data for the purposes of monitoring and reporting on sustainability topics	• Secure new customers and orders • Procure repeat orders from existing customers • Address customers' requirements and concerns over our products	• Work along with the Health, Safety & Environmental Department to handle workplace health and safety matters and proper disposal of waste	• Ensure that materials purchased for production meet our quality standards and customers' requirements	• Ensure that products are produced in accordance with customers' specifications and delivered to our customers timely • Ensure minimal wastage during production

SUSTAINABILITY **REPORT**

STAKEHOLDER ENGAGEMENT

The Group actively communicates with stakeholders to align its objectives with their needs. Regular assessments of the distinct needs and expectations of various stakeholder groups ensure that their concerns play a significant role in shaping business decisions. The following table provides a summary of the diverse activities undertaken to engage with stakeholders, highlights the primary concerns expressed by stakeholders, and outlines the Group's sustainability commitments aimed at addressing their concerns.

Stakeholder	Engagement Platforms	Frequency	Key Feedback/Concern	Commitments to Sustainability
Investors	Annual general meeting	Annual	• Sustainable profitability and shareholders' return • Long-term business growth • Accurate, timely and transparent disclosure of information • High standards of corporate governance	• Strive to generate sustainable long-term profitability • Adhere to timely, transparent and accurate dissemination of pertinent information to the market • Ensure good corporate governance are in place in accordance to principles and provisions of the Code of Corporate Governance 2018
	Annual report	Annual		
	Financial result announcements	Bi-annual		
	Other corporate announcements	Ad-hoc		
	Company website	Throughout the year		
Employees and Workers	Performance reviews with Heads of Department	Quarterly	• Job security • Safe working environment • Fair and competitive employment practices • Staff development and well-being • Work-life balance • Competitive remuneration and benefits	• Seek to ensure the job security of employees when making business decisions • Create a safe and cohesive working environment • Provide fair and equal opportunities to all employees • Provide talks and trainings on safety • Share economic value generated by the Group with employees through increments and bonuses
	Training and development	Throughout the year		
	Feedback platform	Throughout the year		
Customers	Emails	Throughout the year	• Quality of finished goods • Timely delivery of finished goods • Competitive pricing • Timely response to customers' feedbacks and complaints	• Deliver products with high standards of quality and consistency according to customers' specifications • Ensure timely shipment of products • Price negotiation with clients to ensure competitive pricing in the market while maintaining the Group's profit margin • Prompt to deliver after-sales services upon customers' requests
	Tele-conversations	Throughout the year		
	Physical and/or virtual meetups with customers	Throughout the year		
Suppliers/ Sub-contractors	Emails	Throughout the year	• Provide suppliers consistent/greater business opportunities • Meeting the Group's quality requirements	• Committed to making sustainable procurement choices • Providing timely feedback on quality of materials/products to suppliers/sub-contractors
	Tele-conversations	Throughout the year		
	Physical and/or virtual meetups with suppliers/ sub-contractors	Ad-hoc		

SUSTAINABILITY **REPORT**

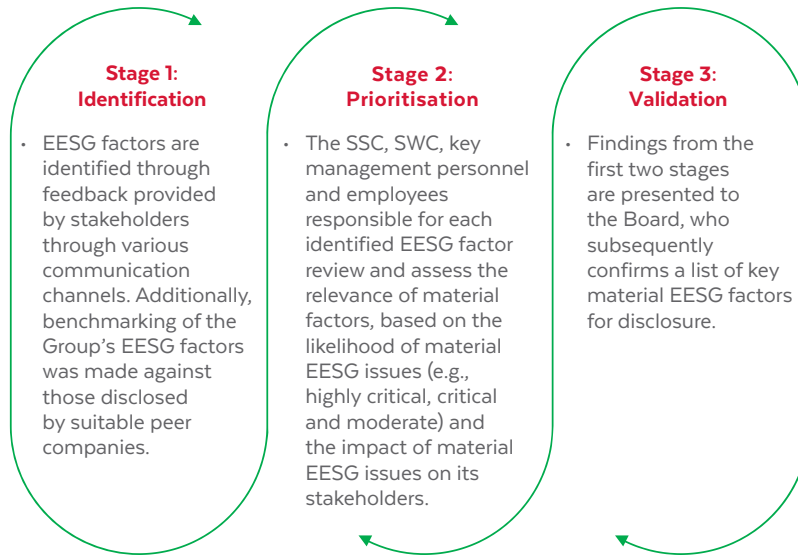| Stakeholder	Engagement Platforms	Frequency	Key Feedback/Concern	Commitments to Sustainability
Government/ Regulators	Correspondences through emails and letters	Throughout the year	• Compliance with laws, rules and regulations • Corporate governance • Safe working environment	• Strict compliance with relevant laws, rules and regulations • Fair and reasonable business practices • Prioritise employees' health and safety • Provide directors and employees regular trainings to update them of latest regulations and practices
	Meetings, briefings and regular reporting	Ad-hoc		
The Community	Community outreach initiatives	Ad-hoc	• Eco-sustainable business practices • Responsible and ethical business practices • Contribution to local community	• Understand and support initiatives by local community/ government

SUSTAINABILITY **REPORT**

MATERIALITY ASSESSMENT

To stay aligned with key sustainability priorities, the Group regularly reviews and benchmarks its operations against industry peers. This annual evaluation considers the evolving business landscape, including emerging global trends, stakeholder perspectives, and relevant regulatory changes. As outlined in the previous section, the Group gathers feedback from stakeholders through a range of engagement channels, which play a critical role in its materiality assessment process. These insights help the Group identify the issues that are most significant to its stakeholders. By prioritising these concerns, it can address the most significant impacts the business has on the economy, the environment, society, and human rights. This assessment serves as a strategic tool, ensuring the Group's sustainability efforts are responsive to stakeholders' expectations. The materiality assessment is presented below:

Stage 1:
Identification

- EESG factors are identified through feedback provided by stakeholders through various communication channels. Additionally, benchmarking of the Group's EESG factors was made against those disclosed by suitable peer companies.

Stage 2:
Prioritisation

- The SSC, SWC, key management personnel and employees responsible for each identified EESG factor review and assess the relevance of material factors, based on the likelihood of material EESG issues (e.g., highly critical, critical and moderate) and the impact of material EESG issues on its stakeholders.

Stage 3:
Validation

- Findings from the first two stages are presented to the Board, who subsequently confirms a list of key material EESG factors for disclosure.

SUSTAINABILITY **REPORT**

Through the materiality assessment, the SSC confirms that there are no changes to the 14 material topics. These topics remain relevant and continue to be aligned with the Group's business practices and sustainability strategies. Accordingly, the material topics are categorised as "Highly Critical," "Critical," or "Moderate."
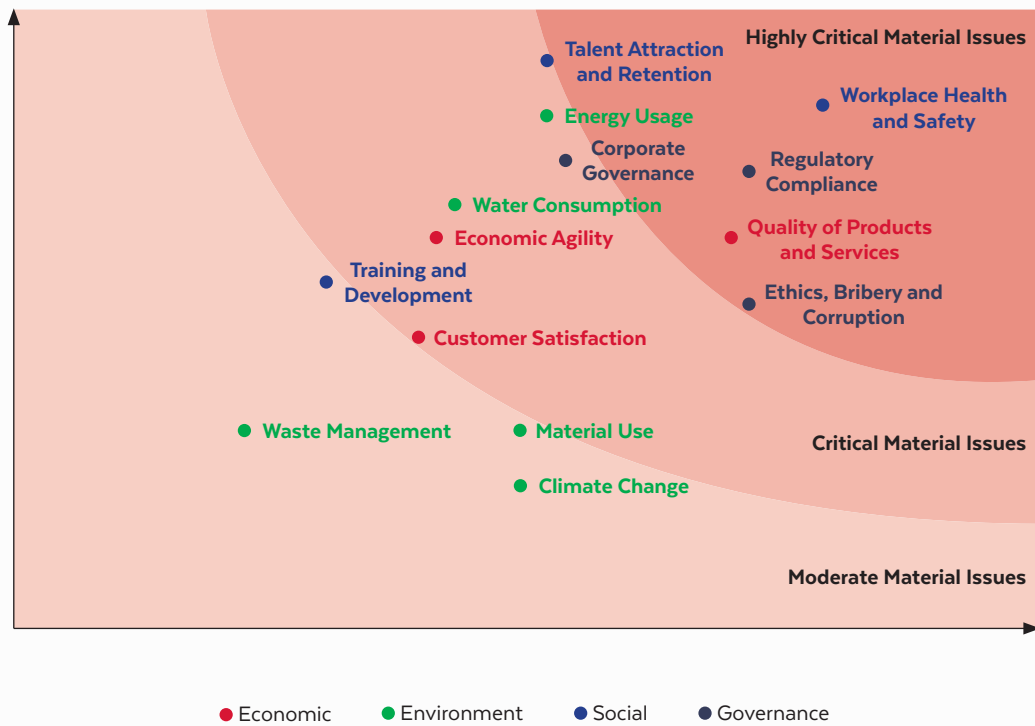
SUSTAINABILITY **REPORT**

MATERIAL TOPICS – AT A GLANCE

For each material topic, the Group reports on its significance to business, economy, environment and people, as well as measures that were taken to address these material aspects.

Material Topic	Significance of Impact	How the Group is Addressing the Issue
Economic		
Economic Agility	The Group recognises the importance to adapt to the constantly evolving business environment in the furniture industry. The Group aims to be adaptable and expand into new markets and product offerings to diversify risks and increase market presence.	The Group strives to continue expanding its presence into new markets and strengthening product offerings through collaboration with business partners and participation in business fairs. It is also believed that the Group's strategy for diversification over the years will help mitigate the financial impact of global market events.
Quality of Products and Services	The Group believes that providing customers with products and services of the highest quality is the cornerstone of business growth. The Group recognises that delivering consistently excellent quality products and services is critical for customer satisfaction and brand loyalty.	The Group upholds its standard of delivering quality products and services through rigorous quality control inspections and a dedication to customer service. The Group also invests in human capital through the provision of regular training. The Group's quality assurance policy emphasises the importance of ensuring that products are of excellent quality before delivery to customers.
Customer Satisfaction	The Group recognises the importance of quality in its products and services, as it forms a large part of its branding. The Group is committed to providing customers with high-quality furniture and services, while seeking to maintain long-term business relationships.	The Group is dedicated to engaging in open communication with customers and listening to their views and concerns. The Group has established feedback channels to receive prompt feedback and has formalised processes in place to receive, escalate, follow up, and report on customers' feedback.
Environmental		
Energy Usage	The Group recognises that investing in energy conservation not only reduces its carbon footprint but also contributes to cost savings.	The Group continually reviews its production processes to optimise energy use. The Group has adopted renewable energy solutions, which improve energy efficiency and diversify its energy supply.
Water Consumption	The Group recognises that water is a finite resource and that businesses play an important role in ensuring the sustainability of water resources.	The Group strives to minimise water consumption and improve water usage efficiency through active monitoring. Additionally, the Group seeks to instil a sense of environmental stewardship in its employees by regularly reminding them to minimise water usage.
Material Use	The Group believes in providing the best quality products to customers without compromising the environment.	The Group is committed to achieving its economic goals in a sustainable and environmentally friendly manner. The Board and Management recognise the importance of using materials that align with the Group's quality policy. The Group continues to strive towards making sustainable procurement choices.
Waste Management	The Group recognises that minimising waste production helps reduce environmental degradation and conserve resources.	The Group aims to effectively manage and minimise waste generated from its business activities through resourceful usage and the adoption of recycling initiatives.
Climate Change	The Group recognises the impact that climate change may have on its business and acknowledges the importance of participating in global efforts to mitigate the environmental impact of its operations.	The Group conducts regular risk assessments and continuously monitors potential risks and opportunities arising from climate change that may affect its operations.

SUSTAINABILITY **REPORT**

Material Topic	Significance of Impact	How the Group is Addressing the Issue
Social		
Talent Attraction and Retention	The Group believes that attracting and retaining competent employees is crucial to the success of its business.	The Group strives to provide fair and competitive compensation packages for its employees, while also ensuring their well-being, welfare, and career progression are well-supported.
Training and Development	The Group believes that its productivity and profitability depend on the capacity and quality of its human capital. Investing in training and development programmes to nurture skilled and competent employees creates long-term value for the Group.	The Group strives to retain its talent pool by offering both in-house and external training programmes to enhance their skill sets and support their professional development. The Group advocates for a positive working environment by providing orientation, as well as on-the-job supervision and guidance.
Workplace Health and Safety	The Group is committed to providing a safe and healthy working environment for all employees.	The Group has established a Safety, Health, and Environment Policy, and the Safety, Health, and Environment Committee is responsible for ensuring that the policy is understood and adhered to by all employees and workers. Regular training programmes are provided to promote health and safety awareness among employees.
Governance		
Corporate Governance	The Group is committed to establishing a strong corporate governance culture with zero tolerance towards unethical practices.	The Group strives to uphold the highest standards of corporate governance, transparency, and compliance with the principles of the Code of Corporate Governance. The Group has established a code of conduct, which all employees are expected to comply with, as part of its commitment to maintaining ethical standards.
Ethics, Bribery and Corruption	The Group believes that upholding high ethical standards and conducting business with integrity is fundamental to its success. Therefore, the Group is committed to building a positive corporate image through exemplary corporate governance and business ethics.	The Group maintains zero tolerance towards unethical practices, bribery, corruption, and fraud. The Group has a whistle-blowing policy in place to facilitate the reporting and follow-up of concerns related to malpractice or any suspicion of fraudulent or inappropriate activities within the Group. The Group has established internal controls and written policies covering areas such as Conflict of Interest, Whistleblowing, Employment Code of Conduct, and Anti-Bribery & Anti-Corruption to guide employees in their business conduct.
Regulatory Compliance	The Group is committed to maintaining a strong ethical culture and ensuring continuous compliance with all regulatory requirements. Any breach of laws, rules, and regulations could significantly harm the Group's business operations and negatively impact its reputation in the industry.	The Board and Management set a strong tone at the top, with zero tolerance towards any non-compliance with the Group's policies, applicable laws, rules, and regulations. The Group upholds a strong ethical culture, and all employees are instilled with the importance of regulatory compliance from their orientation training onward.

SUSTAINABILITY **REPORT**

ECONOMIC

The Group is committed to attaining robust and sustainable economic performance. The Group's overarching goal of achieving exceptional economic performance has led to the development of an extensive corporate network, efficient inventory management systems, and a customer approach that consistently surpasses expectations. Ultimately, the Group aims to offer competitively priced, state-of-the-art products while providing outstanding customer service. The Group also aims to improve its operational efficiency to generate long-term value for all stakeholders, foster growth, improve scalability, and enhance overall profitability.

For detailed information on its financial performance, please refer to the financial statements in Annual Report 2024.

ECONOMIC AGILITY

The Group prioritises increasing shareholder value by diversifying risks and enhancing its market presence. Hence, the Group is constantly on the lookout for opportunities to venture into new markets and innovative new product lines. Having strong operational readiness and economic agility allows the Group to address any opportunities and risks presented by evolving market conditions in an appropriate manner. In FY2024, the Group's focus remains on expanding into untapped markets and enhancing its product portfolio to ensure continued diversification.
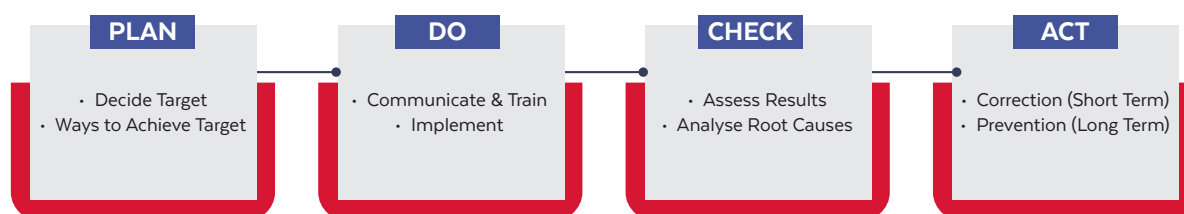
Economic Value Generated and Distributed

Financial Year		FY2022 RM'000	FY2023 RM'000	FY2024 RM'000
Economic Value Generated		**240,898**	**205,054**	**229,850**
Economic Value Distributed	Operating Costs	192,530	175,561	191,759
	Employee Wages and Benefits	37,766	35,007	41,393
	Capital Providers	2,247	2,523	2,248
	Government	98	140	177
	Communities	23	35	24
	Total Economic Value Distributed	**232,664**	**213,266**	**235,601**
Economic Value (Distributed)/Retained		**8,234**	**(8,212)**	**(5,751)**

Going forward, the Group vigilantly monitors the ever-changing market landscape and consumer purchasing trends. The Group is strongly dedicated to an idea of sustainable growth that entails continuous improvement by expanding its presence into new markets whilst enhancing product offerings. In FY2024, the Group actively participated in various furniture and builders trade fairs, connecting with a broader customer base and expanding its market reach.

QUALITY OF PRODUCTS AND SERVICES

Since the Group's inception in 1976, it has established a strong business philosophy that aims to deliver high-quality products and services. The cornerstone of the Group's business philosophy lies in the Group's Quality Policy, which underscores the significance of a Plan-Do-Check-Act ("**PDCA**") approach. This methodology is instrumental in ensuring continuous improvement across all the Group's business processes, preventing stagnation and elevating customer satisfaction.

PLAN	**DO**	**CHECK**	**ACT**
• Decide Target • Ways to Achieve Target	• Communicate & Train • Implement	• Assess Results • Analyse Root Causes	• Correction (Short Term) • Prevention (Long Term)

The Group recognises the significance of investing in its human capital through comprehensive training programmes. Such an approach is designed to enhance the employee's ability to conduct rigorous quality checks and maintain a high standard of internal audits. By equipping its employees with these skillsets, the Group ensures that its quality assessments remain rigorous as it improves alongside new industry developments. More specifically, the Group places a strong emphasis on quality assurance training, enabling employees to acquire the necessary knowledge and skills to assess and report on the conformity and implementation of quality procedures. In FY2024, the Group organised various in-house training courses related to ISO standards, conducted by both internal and external trainers.

As a testament to its commitment to upholding high quality standards, there were zero significant customer chargeback cases of more than RM50,000 in FY2024.
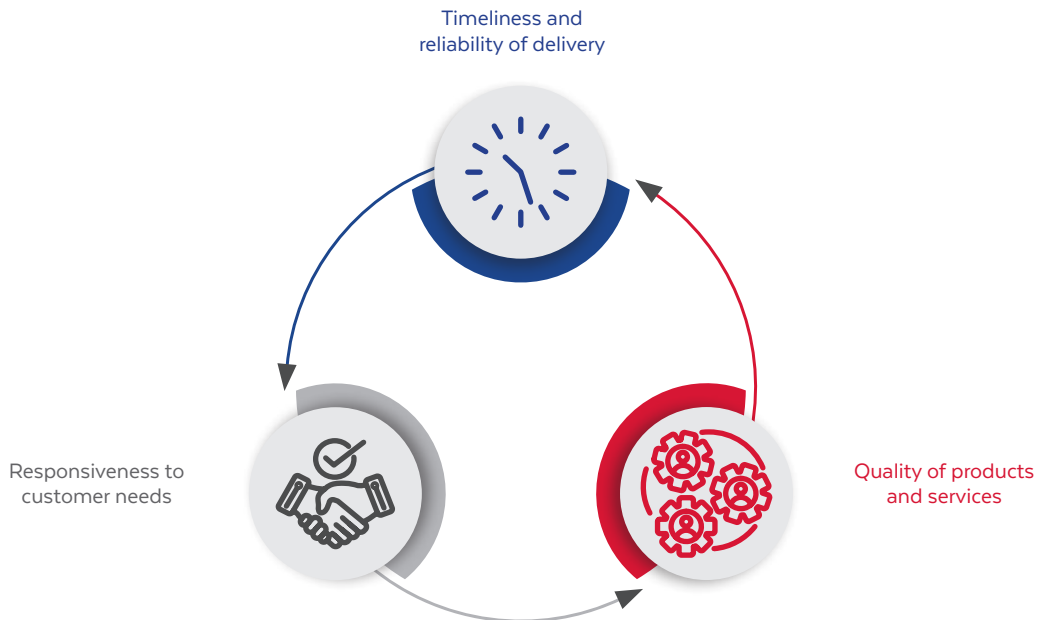
SUSTAINABILITY **REPORT**

CUSTOMER SATISFACTION

The Group prioritises customers' experience and is dedicated to exceeding their expectations when delivering its products and services. The Group places great value on all feedback received from customers, treating them as opportunities for improvement. To ensure all customer feedback is regarded seriously, the Group's dedicated Sales and Marketing team has implemented a robust customer feedback process which allows it to receive and address all feedback with care and intention.

Upon receiving feedback from customers, a thorough investigation is conducted, and any identified issues are directed to the respective departments to be rectified. Subsequently, the Sales and Marketing team provides prompt and detailed explanations to customers, underscoring their importance as customers to the business.

In accordance with the ISO 9001:2015 requirements, an annual customer survey for LY Furniture is conducted by the in-house Sales and Marketing Team, overseen by the Executive Director of Sales and Marketing of LY Furniture. This annual survey serves to identify areas for improvement and guides any potential corrective actions. The key criteria for the Group's customer survey include:

Timeliness and reliability of delivery

Responsiveness to customer needs

Quality of products and services

Customers[2] are requested to evaluate the Group's products and services against these criteria, assigning grades based on five (5) different levels of satisfaction, ranging from 1 (Not Satisfied) to 5 (Fully Satisfied). In recognition of the Group's continuous efforts to improve its processes, LY Furniture achieved an average score of 3.78 across all three (3) criteria in FY2024.

MOVING FORWARD

Even as the Group moves forward, it continues to redouble its efforts to grow through innovation. The Group constantly and continuously strives to explore new opportunities and expand its range of products. The Group's dedication to deliver exceptional value to its stakeholders remains unparalleled as the Group continues to discover new ways to enhance its quality standards. Finally, exceeding customer expectations and provide unparalleled satisfaction through its products and services remains as the Groups main concern.

ENVIRONMENTAL

CLIMATE CHANGE

As a signatory to the Paris Agreement, Malaysia has committed to reducing its carbon intensity (relative to GDP) by 45% by 2030, compared to 2005 levels. The country also aims to achieve net-zero greenhouse gas emissions by 2050. In line with Malaysia's commitment to limiting the global temperature rise to below 2°C, the Group supports the implementation of the TCFD and is dedicated to continuously improving its climate-related actions and disclosures. In practice, the Group focuses on reducing its ecological footprint, managing energy resources responsibly, and lowering GHG emissions, while also enhancing climate resilience across its operations.

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2   The customer base is limited to LY Furniture only.

SUSTAINABILITY **REPORT**

TCFD CLIMATE-RELATED RISK ANALYSIS

GOVERNANCE

The Group's commitment to effective corporate governance on climate and sustainability-related matters is underpinned by strong leadership and effective oversight by the Board and senior management of the Group.

The Board has ultimate responsibility for sustainability reporting and has integrated sustainability considerations into the Group's business and strategy. The Board is responsible for reviewing and approving the Group's sustainability policies, practices and performance disclosures. The Board conducts regular assessments of environmental trends and evaluates potential risks and opportunities associated with climate change to ensure effective oversight of strategic risk management. Refer to our Sustainability Steering Committee Structure on page 17 of this Annual Report for further details.

GROUP STRATEGY

The Group's sustainability strategy focuses on positioning LY Corporation as an environmentally responsible and climate-resilient business. This includes identifying, assessing, and mitigating both physical and transition risks associated with climate change. In line with the global shift towards a low-carbon economy, the Group is committed to seizing emerging opportunities presented and aiming for net-zero emissions by 2050.

Consistent with TCFD recommendations, the Group actively communicates its sustainability approach to stakeholders, emphasising how climate-related factors could impact its long-term performance and financial outlook. Additionally, it is committed to supporting the low-carbon transition by setting clear, measurable targets for emissions reductions. Additionally, it is committed to supporting the low-carbon transition by setting clear, measurable targets for emissions reductions, reinforcing its dedication to environmental stewardship and sustainable business practices.

Scenario Analysis

The Group adopts the IPCC's 6th climate risk assessment scenarios to evaluate the potential outcomes of different climate action pathways and incorporate both risks and opportunities into its strategic planning. Accordingly, the Group identified seven key climate-related risks and two climate-related opportunities. It then utilised insights from research papers and studies to analyse their potential effects on business, strategy, and financial planning. The Group's adopted scenarios are outlined below:

LY Corporation Scenario	IPCC 6th Assessment Report	IPCC – Warming by 2100 (best estimate)
Strong Mitigation Scenario	SSP[1] 1 – 2.6 "Low GHG emission scenarios"	1.3-2.4 °C (1.8°C)
Delayed and Disorderly Scenario	SSP2 – 4.5 "Intermediate GHG emission scenarios"	2.1-3.5 °C (2.7°C)
Business as Usual Scenario	SSP3 – 7.0 "High GHG emission scenarios"	2.6-4.6 °C (3.6°C)

Note:
(1) SSP refers to Shared Socio-Economic Pathways that look at a wider range of options or scenarios simulated by future climate change.

Scenario	Assumption	Potential Outcomes
Strong Mitigation Scenario (below 2°C)	GHG emissions are effectively controlled, aiming to keep global warming below an estimated 2 degrees Celsius. Achieving net-zero CO_2 emissions is anticipated in the latter half of the century. The mitigation strategy closely aligns with the "Low GHG Emission Scenarios" SSP1-2.6 scenario outlined in the IPCC's 6th Assessment Report.	The main risk for LY Corporation in this context is transitional, arising from policy changes. Goods and services, including energy, may become more expensive due to increased pricing of GHG emissions.
Delayed and Disorderly Scenario	The physical damage from climate change is more severe in this scenario, and the mitigation/transition is disorderly as the global community adapts to a changing world. The emission profile in this scenario closely aligns with the "Intermediate GHG Emission Scenarios" SSP2-4.5 scenario outlined in the IPCC's 6th Assessment Report.	The transition risks to LY Corporation in this scenario are less severe than in the Strong Mitigation Scenario. However, the physical risks and the impacts of adaptation are more severe, particularly towards the end of the long-term horizon.
Business as Usual Scenario	In this scenario, global emissions of GHGs continue to rise at approximately current levels, leading to a significant increase in the pace and severity of global warming. The emission profile in this scenario closely resembles the "High GHG Emission Scenarios" SSP3-7.0 scenario outlined in the IPCC's 6th Assessment Report.	The primary risk for LY Corporation in this scenario arises from the accelerating severity of both acute and chronic physical risks of climate change. Long-term effects, such as the increasingly severe impact of extreme weather and rising temperatures, pose significant challenges.

SUSTAINABILITY **REPORT**

RISK MANAGEMENT

Risk management is a set of processes that supports the achievement of the Group's objectives by addressing its risks and managing the combined potential impact of those risks. These processes are carried out by the Board and senior management of the Group. This section explains how LY Corporation identifies, assesses, and manages climate-related risks.

Climate-Related Risks and Opportunities

In FY2024, members of the SSC undertook a reassessment to identify Climate-Related Risks and Opportunities ("**CRROs**") affecting the entire Group. In line with the TCFD framework, the Group assessed CRROs across three-time horizons: short-term (1 to 3 years), medium-term (by 2030), and long-term (by 2050). The reassessment was documented in a TCFD CRROs register, which was reviewed and finalised by the SSC.

According to Malaysia's National Communications to the United Nations Framework Convention on Climate Change ("**UNFCCC**"), an increase in rainfall is expected across all regions by 2030. Additionally, the average air temperature in the country could rise by 0.5 to 1 degree Celsius by 2030, with a further increase of 0.9 to 1.6 degrees Celsius by 2050. This anticipated rise in temperature is expected to place additional pressure on the electricity grid, as it will need to accommodate higher demand for cooling.

Transition risks and opportunities

In line with the CDP Climate Change 2023 Reporting Guidance, the Group has evaluated the likelihood and magnitude of each identified transition risk and opportunity. This assessment is accompanied by the underlying assumptions used to determine potential financial impact figures, along with the details of the risks and opportunities identified, which are as follows:

Transition Risk #1

Risk	Energy costs may fluctuate, and the Group is subject to a carbon tax based on its carbon emissions.
Risk Driver	The carbon tax might manifest as higher electricity tariffs, as power providers transfer the carbon tax costs to end-users.
Company-Specific Description	While the Group is not directly impacted by the increase in carbon taxes, it acknowledges the potential risk of climate change if there are stricter policies and higher prices for greenhouse gas emissions in the future. If the Group fails to take action to reduce emissions, meeting regulatory requirements could become costly. Studies[3] have shown that the carbon tax may increase to $RM150/tCO_2e$ by 2030 from the initial $RM35/tCO_2e$. For every $S\$5/tCO_2e$ ($RM18/tCO_2e$) increase, electricity tariffs could go up by 1%[4]. Therefore, in the short and medium term, the Group might see a 3% and 9% increase in electricity tariffs respectively.
Time Horizon	Short to medium term.
Potential Financial Figure	Short Term: RM4,708,000 Medium term: RM4,983,000
Explanation of Financial Impact Figure	Climate change regulations may result in slight energy price increases. It is estimated that total energy costs account for less than 5% of LY Corporation's annual operating costs, which were RM102,503,000 in FY2024. Considering potential carbon tax increases in Malaysia, the Group's energy spending could reach RM4,983,000 in the medium term. However, this is expected to have a minimal impact on the overall financial position of the Group, as it actively manages this exposure by incorporating renewable energy sources, such as solar energy.

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3   https://penanginstitute.org/publications/issues/a-proposal-for-carbon-price-and-rebate-cpr-in-malaysia/
4   https://www.nccs.gov.sg/singapores-climate-action/mitigation-efforts/carbontax/

SUSTAINABILITY **REPORT**

Transition Risk #2

Risk	Risk of regulatory changes towards enhanced emission-reporting obligations such as GRI, TCFD and etc.
Risk Driver	Nationwide drive to decarbonisation. Increased focus on sustainability.
Company-Specific Description	The evolving emission-reporting regulation and obligation will increase professional fees, training expenses and administrative expenses of the Group to meet reporting requirements.
Time Horizon	Medium to long term.
Potential Financial Figure	Medium Term: RM1,209,000 Long term: RM1,266,000
Explanation of Financial Impact Figure	As per industry expectations, it is projected that all related expenses for supporting Sustainability/TCFD reports in Malaysia will likely see a rise of 5% to 10% in the medium to long term. To address this potential risk, the Group consistently monitors regulatory requirements and assess its capabilities to meet them.

Transition Risk #3

Risk	Regulations governing existing wood products and manufacturing services, alongside changing customer behaviour and a long-term shift in their preferences towards sustainable manufacturing practices.
Risk Driver	Changing investor expectation. Evolving and more stringent rules and regulations.
Company-Specific Description	As the Group is committed to a more environmentally friendly and sustainable future, it is dedicated to minimising and managing its environmental footprint. Specifically, LY Furniture Sdn. Bhd. achieved the Certificate for Chain-of-Custody of Forest-Based Products Programme for the Endorsement of Forest Certification ("**PEFC**") in 2021. Further details on the benefits of the PEFC Certification are provided below.
Time Horizon	Medium to long term.

Transition Risk #4

Risk	Increased cost of raw materials.
Risk Driver	Fluctuations in currency exchange rates. Market demand and competition.
Company-Specific Description	Increased costs associated with sourcing raw materials will lead to higher operating expenses, such as travel expenses/transport charges/license fees.
Time Horizon	Medium to long term.
Potential Financial Figure	Medium Term: RM3,751,000 Long term: RM4,092,000
Explanation of Financial Impact Figure	It is anticipated that related expenses may increase by 10-20% in the medium to long term. To address this potential risk, the Group is diversifying its suppliers and maintaining a stockpile of raw materials to account for potential delays due to disruptions in the global supply chain.

SUSTAINABILITY **REPORT**

Opportunity #1

Opportunity	Adoption of resource efficient practices through using more efficient modes of transport/logistics/operational processes and equipment. Explore solar energy as renewable energy sources, and promotion of recycling/digitalisation/water-savings sustainable habits in office space.
Opportunity Driver	Initiatives and efforts in business practices to support Corporate Social Responsibility.
Company-Specific Description	The Group has adopted resource-efficient practices in its office spaces by implementing recycling initiatives and minimising paper usage, which is expected to lead to a reduction in costs associated with filing, printing & stationery/postage, and travelling expenses/transport charges within our Group. Moreover, the Group has capitalised on solar energy to generate electricity and reduce operating costs.
Time Horizon	Short to medium term.
Potential Financial Figure	Short Term Cost Savings: RM1,266,000 Medium Term Cost Savings: RM1,199,000
Explanation of Financial Impact Figure	The Group embraces sustainable manufacturing practices, focusing on environmental conservation and the efficient use of energy and natural resources. This includes sustainably sourcing raw materials, recycling wood waste, and incorporating environmentally friendly materials into production processes. More than 99% of the Group's timber wood is sourced from sustainable sources. It is anticipated that cost reductions within the Group are estimated to range from 5% to 10% in the short to medium term.

Opportunity #2

Opportunity	Development and/or expansion of low emission goods and services, as well as diversification of business activities into the manufacturing of millwork products and kitchen cabinets.
Opportunity Driver	Cost savings and operational efficiency. Competitive edge.
Company-Specific Description	The Group's goal is marked by an expansion into emerging markets and product lines to enhance its market presence. Through intensified promotion and marketing of millwork products, coupled with the acquisition of new customers, the Group has successfully diversified its portfolio to include the manufacturing of millwork products. Furthermore, the Group has extended its diversification efforts to include the production of kitchen cabinets. For instance, the millwork and furniture segments accounted for 35.7% and 64.3% of the Group's revenue, respectively in FY2024. The Group will disclose the potential financial impact when the opportunity materialises.

SUSTAINABILITY **REPORT**

Physical risks and opportunities

The Group has assessed the physical risks and opportunities arising from the business-as-usual scenario. This evaluation provides the Group with a clearer understanding of how future developments may impact its operations. The following section highlights the key risks and their potential financial impacts.

Acute Physical Risk #1

Risk	Risk of extreme weather events such as flash flood, intense rainfall and heat waves impacting the Group's warehouses, factory and office building.
Risk Driver	Increased intense rainfall and flash flood leading to urban flooding, potentially causing damage to buildings and transportation networks.
Company-Specific Description	More frequent extreme weather events, such as flash flooding and intense rainfall, could disrupt the transportation networks used by employees to commute to the office. This may lead to an increase in various expenses, including general expenses and insurance charges for the Group.
Time Horizon	Long term.
Potential Financial Figure	RM3,749,000
Explanation of Financial Impact Figure	Studies have shown that all regions in Malaysia could experience an increase in rainfall amounts by 2030. Additionally, severe dry spells are projected to occur between 2025 and 2035 in Peninsular Malaysia, and between 2045 and 2055 in East Malaysia. It is estimated that all associated costs could increase by 10% in the long term. However, the Group plans to conduct regular assessments of the adequacy of its insurance coverage to protect against climate-related risks.

Chronic Physical Risk #2

Risk	Risk of rising mean temperature could result in higher usage of air conditioners to maintain comfortable indoor temperatures.
Risk Driver	Increased daily mean temperature and mean sea level rise, leading to changes in weather patterns.
Company-Specific Description	Rising global average temperatures could lead to increased water and electricity costs in offices.
Time Horizon	Long term.
Potential Financial Figure	RM4,747,000
Explanation of Financial Impact Figure	Research has shown that the average air temperature in Malaysia may increase by 0.5 to 1 degree Celsius by 2030 and could further rise by 0.9 to 1.6 degrees Celsius by 2050. It is estimated that a 1-degree Celsius rise in temperature could result in approximately a 4% to 5% increase in electricity consumption. This suggests a 20% rise in electricity tariffs in the long term. To address this risk, the Group will continuously monitor electricity bills and practice sustainability habits to reduce electricity consumption.

SUSTAINABILITY **REPORT**

METRICS

Greenhouse gas emissions

The Group's primary sources of GHG emissions arise from electricity consumption and the use of fuels, including diesel and unleaded petrol. As part of its commitment to sustainability, the Group regularly monitors and reports its GHG emissions, disclosing Scope 1 direct emissions and Scope 2 indirect emissions in alignment with the GHG Protocol and GRI Standards. Scope 1 emissions primarily result from the operation of motor vehicles and on-site furnaces, while Scope 2 emissions are generated from purchased electricity.

Scope 1 Emissions

To strengthen its efforts in reducing emissions, the Group implements efficient route planning for its motor vehicles and conducts regular maintenance to ensure optimal engine performance and fuel efficiency, which in turn helps reduce GHG emissions. The Group's Scope 1 GHG emissions for FY2024, compared to FY2022 and FY2023, are as follows:

Pollutant	CO_2	CH_4	N_2O
Emission Factor – Diesel (kg/TJ)[5]	74,100	3.9	3.9
Emission Factor – Petrol (kg/TJ)[6]	69,300	33	3.2
Global Warming Potential (GWP)[7]	1	27	273

Financial Year	FY2022	FY2023		FY2024	
Fuel Used	Diesel	Diesel	Unleaded petrol	Diesel	Unleaded petrol
Fuel Consumed (litre)	100,142	68,512	28,598	86,465	28,117
CO_2 Emissions (tCO_2e)	266.40	175.07	63.82	230.01	62.74
CH_4 Emissions (tCO_2e)	0.39	0.26	0.85	0.33	0.81
N_2O Emissions (tCO_2e)	3.72	2.24	0.78	3.30	0.79
Total GHG Emissions (tCO_2e)	**271**	**178**	**65**	**234**	**64**
		243		298	
Number of employees	1,043	1,145		1,365	
GHG Intensity (tCO_2e/employee)	0.26	0.21		0.22	

Scope 2 Emissions

Electricity is essential to the Group's operations, and as part of its commitment to sustainability, the Group is focused on reducing electricity consumption through the adoption of sustainable practices. The Group's Scope 2 GHG emissions for FY2024 are as follows:

Pollutants	CO_2
Operating Margin (OM) Grid Emission Factor (GEF)	0.758[8]

Financial Year	FY2022	FY2023	FY2024
Electricity Consumed (kWh)	8,482,062	7,657,364	10,214,953
Solar energy (kWh)	3,524,600	3,572,600	3,590,383
Purchased energy (kWh)	4,957,462	4,084,764	6,624,570
Scope 2 CO_2 Emissions (tCO_2e)	3,073.63	2,532.55	5,021.00
Number of Employees	1,043	1,145	1,365
GHG Intensity (tCO_2e/employee)	2.95	2.21	3.68

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5   Retrieved from: Road Transport N_2O and CH_4 Default Emission Factors and Uncertainty Ranges (Chapter 3: Mobile Combustion) of 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

6   Retrieved from: Road Transport N_2O and CH_4 Default Emission Factors and Uncertainty Ranges (Chapter 3: Mobile Combustion) of 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

7   IPCC Global Warming Potential Values. *GHG Protocol* (August 2024) Retrieved from:
https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%20(August%202024).pdf.

8   Peninsular Malaysia Energy Commission 2021 Grid EF @ 0.758 $kgCO_2e$/kWh. Retrieved from: https://www.mgtc.gov.my/lcos-personal-calculator/.

SUSTAINABILITY **REPORT**

MATERIAL USE

In support of its commitment to sustainable growth, the Group actively monitors and manages the resources it consumes in its operations. In FY2024, 99.3% (FY2023: 95.2%) of the wood (timber) were sourced by the Group came from sustainable sources.

The Group is committed to sustainable procurement practices within its manufacturing operations, placing a strong emphasis on sourcing from environmentally responsible suppliers. Suppliers are assessed for their environmental impact, with only those demonstrating minimal or no adverse effects being considered for collaboration. Additionally, the Group conducts annual reviews of its suppliers to ensure they consistently meet sustainability standards and align with its values.

In 2021, LY Furniture achieved the Certificate for Chain-of-Custody of Forest-Based Products under the Programme for the Endorsement of Forest Certification ("**PEFC**"). This certification covers the purchase of PEFC-certified and PEFC-controlled source sawn timber, wood panels veneer, paper and dowel, as well as the production and sale of PEFC-certified and PEFC-controlled source wooden frames, indoor furniture, architectural joinery, moulding, skirting boards and architraves, using both physical separation and percentage-based methods. The attainment of the PEFC certification further strengthens the Group's reputation as an environmentally responsible business, offering several key benefits, such as allowing the Group's products to be labelled as PEFC-certified, assuring customers that the wood used comes from sustainably managed forests, supporting the increasing demand for sustainable materials in corporate social responsibility initiatives, and ensuring compliance with international regulatory requirements, which facilitates the export of the Group's products to global markets. The certification remains valid until the end of 2026.

ENERGY USAGE

The Group recognises that investing in energy conservation not only helps reduce its carbon footprint but also leads to cost savings. The Group actively monitors electricity consumption, continuously striving to optimise energy usage. For detailed information on electricity consumption, please refer to the disclosures in the TCFD Climate-Related Risk Analysis under Scope 2 Emissions. Furthermore, the Group has embraced efficient and renewable solar energy solutions to improve energy efficiency, diversify its energy supply sustainably, and minimise the environmental impact of its operations.

In FY2024, the solar photovoltaic system generated a total of 3,590.4MWh (FY2023: 3,572.6 MWh) of solar energy, which is equivalent to avoiding approximately 2,722 tonnes (FY2023: 2,215 tonnes) of carbon dioxide (CO_2) emissions.

WATER CONSUMPTION

The Group recognises the crucial role businesses play in sustaining water resources. As such, it has monitored its water usage and implemented various measures to enhance water efficiency. These measures include adopting more water-efficient fixtures and fittings, installing water conservation devices, and conducting regular checks and maintenance on pipes and installations to prevent potential water leaks. The Group's water consumption in FY2024, compared to the previous year, is as follows:

Financial Year	FY2022	FY2023	FY2024
Water Consumed (cubic meters)	99,096	99,827	113,785
Number of Employees	1,043	1,145	1,365
Water Intensity (Total water consumption/Number of employee)	95.0	87.2	83.4

In order to achieve its long-term goal of reducing water intensity by 20%, the Group consistently monitors its performance through regular assessments and evaluations. This approach enables the identification of areas for improvement and the implementation of effective measures to enhance water efficiency across operations. The Group remains committed to adopting innovative technologies and sustainable practices that contribute to the responsible use and conservation of water resources, in alignment with its broader environmental sustainability objectives.

SUSTAINABILITY **REPORT**

WASTE MANAGEMENT

Efficient waste management plays a vital role in supporting resource sustainability and environmental protection. The Group is dedicated to reducing and managing waste produced from its operations by implementing resource–efficient strategies and encouraging recycling efforts. The following section provides data on waste generated, non-hazardous waste diverted from disposal, and waste directed to disposal in FY2024:

Type of waste	Hazardous/ Non-hazardous	Type of input	Activities that generate the waste
Contaminated empty drums/ container from LYSFB	Hazardous	Raw material	Manufacturing process
Carton from LYFSB and LEM	Non-hazardous	Waste	
Plastic from LYFSB and LEM			
Scrap Iron from LYFSB			
Battery from LYFSB			

Waste diverted from disposal – non-hazardous waste

Entity	Types of non-hazardous	FY2023	FY2024	Recovering method
		Amount generated (metric tons)		
LYFSB	Carton	26.2	20.3	Recycling (offsite)
	Plastic	22.9	28.8	
	Scrap Iron	25.6	106.1	
LEM	Carton	3.4	1.9	
	Plastic	3.3	2.1	
TOTAL		**81.4**	**159.2**	

Waste directed to disposal – hazardous waste

Entity	Types of hazardous	FY2023	FY2024	Disposal method
		Amount generated (metric tons)		
LYFSB	Contaminated empty drum/ container	35.0	69.9	Offsite
	Contaminated rags	55.6	74.9	
	Paint sludge	26.3	38.0	
LEM	Contaminated container	NA	0.05	
	Contaminated rags/ Hand gloves	NA	0.19	
TOTAL		**116.9**	**183.0**	

SUSTAINABILITY **REPORT**

Waste directed to disposal – non-hazardous waste

Entity	Types of non-hazardous	FY2023	FY2024	Disposal method
		Amount generated (metric tons)		
LYFSB	Saw dust	2,022.7	2,485.3	incineration (without energy recovery)
	Scrap medium-density fibreboard (**"MDF"**)/ chipboard (**"CB"**)/Plywood	835.3	1,104.6	incineration (with energy recovery)
	Factories' Rubbish	287.6	495.5	landfilling
	Hostels' Rubbish	NA	138.9	landfilling
	Veneer	59.0	51.8	landfilling
LEM	Scrap MDF/CB	352.0	337.9	incineration (with energy recovery)
	Saw dust	93.2	79.2	incineration (without energy recovery)
	Factories' Rubbish	86.4	22.0	landfilling
TOTAL		**3,736.2**	**4,715.2**	

The wood waste generated at LY Furniture contributes significantly to the Group's sustainability initiatives. It is primarily used as feedstock for the factory boiler, providing essential heat for production processes. Additionally, the Group collaborates with third-party boiler operators to maximise the efficient use of this wood waste. Sawdust, a byproduct of production, is sold to other companies for further use or processing. In line with its commitment to waste minimisation, the Group has implemented strategies to optimise wood usage, reduce offcuts, and promote efficient resource utilisation.

MOVING FORWARD

Remaining steadfast in its commitment to energy conservation and environmental protection, the Group will actively refine its approach to enhancing waste management practices and increasing recycling rates. The Group is committed to maintaining its record of zero penalties for non-compliance with all relevant environmental regulations in the jurisdictions where it operates.

SOCIAL

The acronym LY represents "Lian You" (联友) which symbolises the idea of "uniting friends". Following its namesake, the Group firmly believes in the significance and efficacy of collaboration, particularly given the dynamic and rapidly evolving global market. The idea of a collaborative collective has become a central philosophy that the Group actively integrates into its corporate practices by reaching out to all stakeholders as detailed in preceding sections.

Acknowledging that the community consisting of employees, customers, and shareholders form the bedrock of a prosperous and enduring organisation, the Group is committed to empowering and nurturing its staff so that they may achieve their full capability. Additionally, the Group aspires to contribute positively to the communities where it is situated. In order to create and support local communities, the Group is committed to giving back to the communities that are intertwined with its business. This dedication to enhance the welfare of the Group's close communities resonates strongly with the core values and principles that underpin its business principles.

SUSTAINABILITY **REPORT**

TALENT ATTRACTION AND RETENTION

The Group's approach to employee compensation is rooted in the principles of fairness and equality. The first core consideration for the Group remains on whether the individual's qualifications and experience align with job requirements. Given this, the Group strives to provide all its employees with a competitive benefit package. Hence, regular reviews of the Group's employee benefit packages are conducted regularly against industry standards to ensure they remain competitive. Finally, based on the Group's principles of fairness and equality, all forms of discrimination based on race, ethnicity, age, gender, or nationality are strictly prohibited and condemned.

The Group's recruitment process is characterised by its robustness, fairness, and transparency. Although merit remains as the Group's key selection criterion, the well-being and career progression of its employees remains equally important to the Group. For instance, its benefit packages include provisions for medical allowances, annual leaves and special leaves for significant life events such as marriage, prenatal care, and paternity.

Rewarding loyal employees is another key component of the Group's robust employment policy. A long service award is presented to employees who have dedicated over five (5) years of service to the Group. The award is meant to be a token of appreciation for the employee's unwavering commitment and valuable contributions. Through its recruitment and retention policies, the Group aims to attract and retain competent individuals who resonate with and embody its culture and values.

Employees' Profile

The Group has 20 temporary employees, consisting of 14 males and 6 females, all of whom are from Malaysia. Additionally, there is one female part-time employee who is also Malaysian. The Group did not have any employees under non-guaranteed hour arrangements in FY2024, nor in the two preceding years. As of 31 December 2024, a comparison of the Group's employee profile with FY2022 and FY2023 is outlined below:

Workforce	No. of headcount			% of total headcount		
Financial Year	**FY2022**	**FY2023**	**FY2024**	**FY2022**	**FY2023**	**FY2024**
By Gender						
Male	823	933	1,139	79.2	81.5	83.4
Female	216	212	226	20.8	18.5	16.6
By Age Group						
18-30 years old	427	407	582	41.1	35.5	42.6
31-50 years old	537	657	703	51.7	57.4	51.5
Over 50 years old	75	81	80	7.2	7.1	5.9
By Nationality						
Malaysian	549	663	698	52.8	57.9	51.1
Bangladeshi	190	193	176	18.3	16.9	12.9
Chinese	0	1	1	0	0.1	0.1
Myanmar	206	101	91	19.8	8.8	6.7
Nepalese	85	182	395	8.2	15.9	28.9
Pakistanis	9	5	4	0.9	0.4	0.3
TOTAL	**1,039**	**1,145**	**1,365**	**100.0**	**100.0**	**100.0**

SUSTAINABILITY **REPORT**

Workforce	No. (Rate[9]) of new hires			No. (Rate[10]) of turnovers		
Financial Year	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
By Gender						
Male	292 (23.8)	479 (43.9)	414 (33.0)	541 (44.1)	463 (42.4)	438 (34.9)
Female	49 (4.0)	67 (6.1)	18 (1.4)	116 (9.4)	68 (6.2)	46 (3.7)
By Age Group						
18-30 years old	109 (8.9)	210 (19.2)	246 (19.6)	304 (24.8)	199 (18.2)	154 (12.3)
31-50 years old	210 (17.1)	319 (29.2)	183 (14.6)	330 (26.9)	314 (28.8)	298 (23.7)
Over 50 years old	22 (1.8)	17 (1.6)	3 (0.2)	23 (1.9)	18 (1.6)	32 (2.5)
By Nationality						
Malaysian	341 (27.8)	438 (40.1)	200 (15.9)	380 (31.0)	312 (28.6)	430 (34.3)
Nepalese	0 (0)	107 (9.8)	232 (18.5)	41 (3.3)	35 (3.2)	26 (2.1)
Bangladeshi	0 (0)	0 (0)	0 (0)	95 (7.7)	63 (5.8)	17 (1.4)
Myanmar	0 (0)	0 (0)	0 (0)	129 (10.5)	117 (10.7)	10 (0.8)
Pakistanis	0 (0)	0 (0)	0 (0)	9 (0.7)	4 (0.3)	1 (0.1)
Chinese	0 (0)	1 (0.1)	0 (0)	0 (0)	0 (0)	0 (0)
Indonesian	0 (0)	0 (0)	0 (0)	1 (0.1)	0 (0)	0 (0)
Vietnamese	0 (0)	0 (0)	0 (0)	2 (0.2)	0 (0)	0 (0)
TOTAL	**341 (27.8)**	**546 (50.0)**	**432 (34.4)**	**657 (53.5)**	**531 (48.6)**	**484 (38.6)**

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9   Rate of new hires was calculated by: Number of new hires/Average number of employees at the beginning of period and end of period.
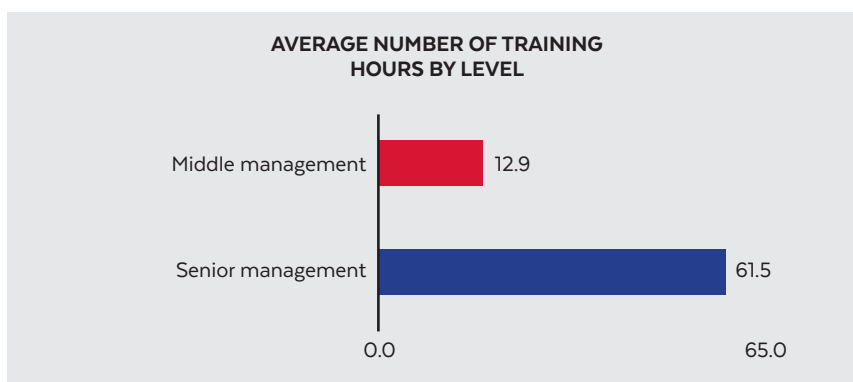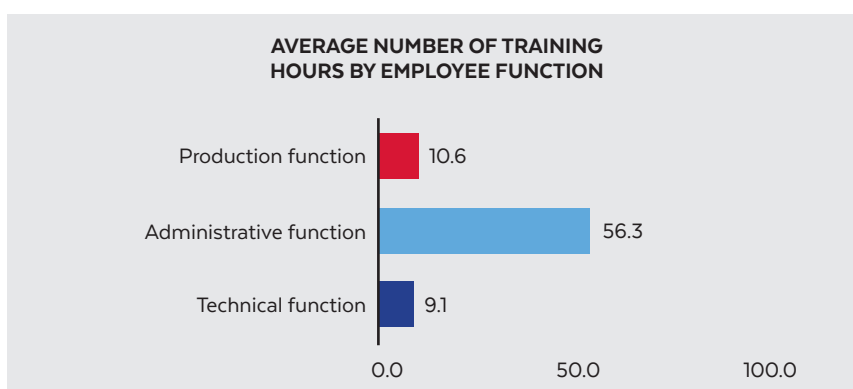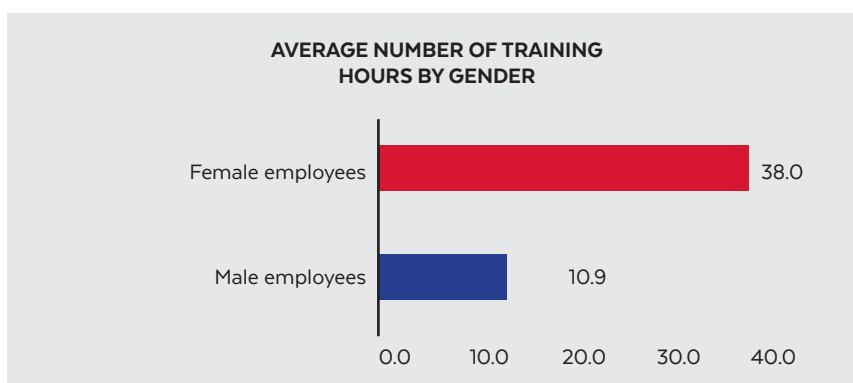10   Rate of turnovers was calculated by: Number of leavers/Average number of employees at the beginning of period and end of period.

SUSTAINABILITY **REPORT**

TRAINING AND DEVELOPMENT

The Group recognises that its success hinges on a competent team capable of achieving its business objectives. Therefore, the Group is committed to fostering the growth of its employees through a diverse range of internal and external training and development programs. These initiatives aim to provide the Group's staff with cutting-edge skills and knowledge, enabling them to stay ahead of the curve and meet the demands of their professional growth.

The details of employee training statistics for FY2024 are as follows:

AVERAGE NUMBER OF TRAINING HOURS BY GENDER

Female employees	38.0
Male employees	10.9

0.0 10.0 20.0 30.0 40.0

AVERAGE NUMBER OF TRAINING HOURS BY EMPLOYEE FUNCTION

Production function	10.6
Administrative function	56.3
Technical function	9.1

0.0 50.0 100.0

AVERAGE NUMBER OF TRAINING HOURS BY LEVEL

Middle management	12.9
Senior management	61.5

0.0 65.0

SUSTAINABILITY **REPORT**

Notes:

1:    Senior management refers to employees with designation of Assistant Manager and above (excluding general workers from production function).

2:    Middle management refers to employees with designation of Executive and below (including general workers from production function).

3:    Average number of training hours by male or female employees = Total number of training hours by male or female employees/total number of male or female employees.

4:    Average number of training hours by production or administrative or technical function = Total number of training hours by production or administrative or technical function/total number of employees from production or administrative or technical function

5:    Average number of training hours by middle or senior management = Total number of training hours by middle or senior management/total number of middle or senior management

The Group believes in the importance of regularly evaluating its employees' performance and providing constructive feedback to support their professional improvement and growth. To achieve this, the Group has instituted a quarterly performance review system that offers employees prompt and actionable insights into their work. The review process assesses the Group's employees in various aspects, like their quality of work, output, work responsibility, timeliness, attention to detail, relationships with colleagues and critical thinking skills. This ongoing review process enables employees to monitor their progress, receive acknowledgment for their accomplishments and make necessary adjustments to enhance their job performance.

WORKPLACE HEALTH AND SAFETY

The Group recognises the health and safety of its employees as a top priority and has implemented proactive measures to instill a culture of safety. Guiding all employees in maintaining safe and healthy work practices, the Group has established an Occupational Safety and Health Policy ("**OSH Policy**"). Under the OSH Policy, the Management is responsible for ensuring compliance with all health and safety regulations, and employees are required to undergo training on proper health and safety procedures. Additionally, the Group has achieved the ISO 45001:2018 certification for occupational health and safety management.

To oversee the implementation of the OSH Policy and ensure its adherence by all employees, a dedicated Safety, Health, and Environment Committee ("**SHE Committee**") has been formed. This committee comprises key leaders (representatives from the management) and trained safety representatives (representatives from the employees other than management) from various factories and warehouses. Looking forward, the Group remains resolved in its commitment towards its employees' safety and health, as it endeavors to create a safe and secure work environment for all.

We are committed to environmental stewardship and full compliance with environmental laws and regulations. By optimising resource use, reducing waste, and incorporating eco-friendly practices into our operations, we improve efficiency, minimise environmental impact, and ensure the safety and well-being of our employees and communities. Our dedication to sustainability not only strengthens our brand reputation but also supports global efforts to address climate change. This approach enables us to remain competitive, reduce operational risks, and secure long-term success in an increasingly sustainability-focused market.

At LY Furniture, the following model is employed for all work activities to facilitate the identification of work-related hazards that pose a risk of causing high-consequence injuries:

| Classify work activity | ▶ | Identify hazard | ▶ | Determine hazard | ▶ | Determine if risk is tolerable | ▶ | Prepare risk assessment | ▶ | Review the effectiveness |

Under this model, the Group empowers its employees to identify and report any potential hazards they may encounter. The fourth step in its hazard identification and response model allows said employee to remove themselves from that task if it is considered too hazardous. The Group's employees are briefed on the model and are protected from reprisals under the SHE Policy.

Wearing personal protective equipment is mandated whenever the task requires. Additionally, the Group has installed machine covers to mitigate sound levels and pinch hazards, ensuring the health and safety of the Group's employees.

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In FY2024, the breakdown of the injury rate, in comparison to the previous year, is as follows:

Indicator	FY2022	FY2023	FY2024
	Total Number (Rate)[11]		
Fatalities as a result of work-related injury	0 (0)	0 (0)	0 (0)
High-consequence work-related injuries[1]	0 (0)	0 (0)	0 (0)
Number of recordable work-related injuries[2], excluding high-consequence work-related injuries	4 (0.27)	4 (0.42)	2 (0.18)
Number of hours worked[3]	2,930,932	1,904,749	2,229,720

Notes:

1: High-consequence work-related injuries refers to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six (6) months.

2: Recordable work-related injuries refers to work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

3: Number of hours worked is calculated as: Average number of employees during the year x number of hours worked a week x 52 weeks in a year

Regarding the two cases of minor work injuries, the Group's investigation revealed that the primary cause of these accidents was a failure in adhering to designated working instructions. This temporary lapse in following established protocols and procedures created an unsafe environment where accidents could occur.

The Group's aim of achieving zero injuries does not prevent it from proactively implementing measures that allow for the prompt treatment of any accidents. LY factories are equipped with first-aid rooms, staffed by trained first-aiders. For employees requiring further medical attention, transportation is arranged to take them to health clinics with more specialised medical equipment. Fire drills are conducted regularly to familiarise the Group's employees with fire-fighting equipment and the appropriate response to fire safety situations.

The Group's factories and warehouses are well-equipped with first-aid rooms, trained first-aiders, and Emergency Response Teams ("**ERTs**") to address any emergency situations. All employees are covered by personal accident and life insurance and have access to a network of panel clinics for medical check-ups and treatments.

MOVING FORWARD

The Group remains unwaveringly dedicated to empowering its workforce through training and professional development initiatives. It aims to cultivate a skilled and adaptable workforce that can effectively navigate the dynamic nature of the business environment where it operates. Regarding employee safety, the Group's goal in the coming years is to attain zero major workplace incidents. Moreover, the Group aspires to extend its positive involvement in the community by actively participating in and leading various social initiatives.

GOVERNANCE

Both the Board and Management are committed to upholding high ethical standards and following effective corporate governance practices, fostering the Group's longevity. By maintaining the Group's robust internal controls and having a dedicated approach to corporate governance, the Group endeavors to generate value for its stakeholders while nurturing a principled and ethical corporate environment. The Group strictly adheres to the guidelines outlined in the Code of Corporate Governance ("**CG Code**") to implement various sustainability measures aimed at embedding the principles of good governance across all its operations.

The Board is composed of a well-balanced team of directors that possess diverse skills, experiences, and knowledge which enables the Group to effectively pursue its long-term objectives. The following overview provides a summary of the composition of the Board and Management, more details can be found in the earlier sections of the Annual Report 2024.

Description	Percentage (%)
Board Independence The number of independent board of directors as a percentage of all directors.	33.3
Women on the Board The number of female board directors as a percentage of all directors.	16.7

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11   Rate of fatalities/high-consequence work-related injuries/Recordable work-related injuries was calculated by Number of fatalities/high-consequence/recordable as a result of work-related injury/Number of hours worked X 200,000.

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CORPORATE GOVERNANCE

The Group prioritises the adoption of robust corporate governance practices to enhance transparency and accountability. Both the Board and Management are dedicated to cultivating a corporate culture characterised by integrity and ethical conduct. To uphold the principles of good governance, the Group closely aligns its framework with the CG Code issued by the Monetary Authority of Singapore, staying updated with the latest revisions. The Board has instituted specialised committees, including the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**"), and the Audit and Risk Committee ("**ARC**"), to ensure the segregation of key functions and establish well-defined responsibilities.

ETHICS, BRIBERY AND CORRUPTION

The Group places a high value on integrity and ethical conduct, recognising them as essential for maintaining its brand's credibility and accomplishing strategic objectives. In response, the Group has adopted a stringent zero-tolerance policy towards bribery, fraud, and corruption which reflects its belief that ethical behavior is a key contributor to long-term stakeholder value. The Group has various annual declaration requirements and a whistle-blowing channel for the reporting of any critical concerns to the Board. In FY2024, there were no instances of unethical, fraudulent, or corrupt conduct that were brought to the Board's attention.

To actively promote ethical behaviour, the Group has implemented internal controls and established written policies covering Conflict of Interest, Whistleblowing, Employment Code of Conduct, and Anti-Bribery & Anti-Corruption. These policies serve as clear guidelines for its employees and are communicated to all new hires as part of their onboarding process. The key components of these policies are outlined below:

Conflict of Interest Policy

- Employees must not accept gifts, entertainment or favours that may influence one's objectivity in exercising judgment on behalf of the Company
- Potential scenarios where interests may be conflicted
- Reporting procedures if conflicts of interests arise

Whistle-blowing Policy

- Guidelines for employees to raise concerns of malpractice or any suspicion of fraudulent or inappropriate activities within the Group to the Investigation Committee ("**IC**")
- Escalation process to IC or where appropriate or required, to relevant government authorities for further investigation or action
- Procedures in place to protect anonymity of whistle-blowers and notifying them of the outcome

Employee Code of Conduct

- Contains a comprehensive list of examples of employee misconduct
- Misconduct includes violation of safety rules, forgery, theft, sexual harassment and sleeping on the job
- Code of Conduct is easily accessible by all employees through the Group's shared drive

Anti-Bribery & Anti-Corruption Policy

- Iteration that the Group is committed to conduct its business dealings with integrity and has a zero-tolerance approach against all form of bribery and corruption
- Guidelines to identify potential and corruption risks that may affect the Group
- Guidelines towards Conflict of Interest, Gifts, Entertainment, Corporate Hospitality and Travel, Dealing with Public Officials, and Corporate Social Responsibility and Donations
- Iteration that facilitation payments are strictly prohibited and the guidelines for employees should they encounter any request for facilitation payments

The pinnacle of the Group's organisational values lies in consistently displaying professional and ethical conduct. The Group aims for all employees to be familiar with the Employee Code of Conduct. Upon joining the Group, new hires are introduced to the Code of Conduct as part of their onboarding process. Following this, the Group conducts routine training to refresh employees' knowledge of the Employee Code of Conduct. For the Group, it is imperative that all employees uphold integrity in their actions. Those found engaging in misconduct or failing to meet performance expectations may be subject to disciplinary measures, including termination.

In FY2024, there were no instances of employee misconduct leading to dismissal.

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REGULATORY COMPLIANCE

It is crucial for LY Corporation that the Group is compliant with all relevant regulations. Failure to do so may result in legal and financial consequences, posing potential harm to the Group's reputation. The Group has taken many steps to ensure that its labour standards align with government regulations and guidelines. More specifically, the Group's policies explicitly prohibit discrimination, child labour, and forced labour in all aspects of its operations and business activities. The establishment of well-defined labour standards reflects the Group's commitment to socially responsible behaviour as it aims to protect human rights by prohibiting discrimination, slavery, and any form of inhumane treatment while promoting equality and fairness. Here are some of the laws, rules and regulations that the Group adheres to:

Ministry of International Trade and Industry
• Industrial Co-ordination Act (1975)
Department of Occupational Safety and Health
• Factories and Machinery Act (1967)
Ministry of Human Resource
• Employment Act (1955)
Department of Environment
• Environmental Quality Act (1974)
Personal Data Protection Department
• Personal Data Protection Act (2010)
Singapore Exchange Limited
• SGX-ST Catalist Rules
Monetary Authority of Singapore
• Code of Corporate Governance 2018
Singapore Companies Act
Malaysia Companies Act 2016
Malaysia Timber Industry Board
• Malaysian Timber Industry Board (Incorporation) Act (1973)
• Timber Industrialisation Methods (Registration) (1991)

In FY2024, a total of RM9,320 in penalty expenses was incurred due to instances of non-compliance such as:

• Compound for foreign workers absconding;

• Overdue HP interest; and

• Penalty for mosquito larvae.

MOVING FORWARD

The Group's primary emphasis remains on maintaining a robust corporate governance culture and ensuring strict compliance with all relevant laws, regulations, and rules within the regions where it operates. This dedication reflects the Group's unwavering commitment to ethical business practices, accountability, and transparency. Upholding these standards is not only a legal imperative but also a cornerstone of the Group's corporate identity, demonstrating its responsibility as a conscientious organisation.

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GRI CONTENT INDEX

Statement of use	LY Corporation Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure Number & Title	Section Reference
	2-1 Organisational details	Annual Report 2024: Corporate Profile, pages 1 and 10
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report: About this Report, page 14
	2-3 Reporting period, frequency and contact point	Sustainability Report: About this Report – Scope of Report, page 14
	2-4 Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
	2-5 External assurance	LY Corporation has not sought external assurance for this reporting period, and may consider it in the future.
	2-6 Activities, value chain and other business relationships	Annual Report 2024: Corporate Profile, pages 1 and 10 Annual Report 2024: Message to Shareholders, pages 2 and 3
	2-7 Employees	Sustainability Report: Social – Employees' Profile, pages 36 and 37
	2-8 Workers who are not employees	There were no workers who are not employees.
	2-9 Governance structure and composition	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: Sustainability Steering Committee, page 17
	2-10 Nomination and selection of the highest governance body	Annual Report 2024: Corporate Governance Report, pages 47 to 80
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Annual Report 2024: Corporate Governance Report, pages 47 to 80
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report: Sustainability Steering Committee, page 17
	2-13 Delegation of responsibility for managing impacts	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: Sustainability Steering Committee, page 17
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report: Sustainability Steering Committee, page 17
	2-15 Conflicts of interest	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: Governance – Ethics, Bribery and Corruption, page 41
	2-16 Communication of critical concerns	Sustainability Report: Governance – Ethics, Bribery and Corruption, page 41
	2-17 Collective knowledge of the highest governance body	Annual Report 2024: Corporate Governance Report, pages 47 to 80
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: Sustainability Steering Committee, page 17
	2-19 Remuneration policies	Annual Report 2024: Corporate Governance Report, pages 47 to 80

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GRI Standard	Disclosure Number & Title	Section Reference
	2-20 Process to determine remuneration	Annual Report 2024: Corporate Governance Report, pages 47 to 80
	2-21 Annual total compensation ratio	This covers confidential information and are not to be disclosed due to confidentiality reasons.
	2-22 Statement on sustainable development strategy	Sustainability Report: Sustainability Steering Committee, page 17
	2-23 Policy commitments	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: • Governance – Ethics, Bribery and Corruption, page 41 • Governance – Regulatory Compliance, page 42
	2-24 Embedding policy commitments	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: • Governance – Ethics, Bribery and Corruption, page 41 • Governance – Regulatory Compliance, page 42
	2-25 Processes to remediate negative impacts	Sustainability Report: Governance – Ethics, Bribery and Corruption, page 41
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report: Governance – Ethics, Bribery and Corruption, page 41
	2-27 Compliance with laws and regulations	Annual Report 2024: Corporate Governance Report, pages 47 to 80 Sustainability Report: • Governance – Ethics, Bribery and Corruption, page 41 • Governance – Regulatory Compliance, page 42
	2-28 Membership associations	Currently, the Group does not hold significant roles in any membership associations.
	2-29 Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement, pages 19 and 20
	2-30 Collective bargaining agreements	There are no collective bargaining agreements in place.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report: Materiality Assessment, pages 21 to 24
	3-2 List of material topics	
Topic-specific disclosure		
Economic Agility GRI 3: Material Topics 2021/GRI 201: Economic Performance 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 25
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainability Report: Economic Agility, page 25
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report: TCFD Report, pages 28 to 31
Ethics, Bribery and Corruption GRI 3: Material Topics 2021/GRI 205: Anti-Corruption 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 41
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Report: Ethics, Bribery and Corruption, page 41
	205-3 Confirmed incidents of corruption and actions taken	

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GRI Standard	Disclosure Number & Title	Section Reference
Energy Use GRI 3: Material Topics 2021/GRI 302: Energy 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, pages 32 and 33
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report: • Greenhouse Gas Emissions, page 32 • Energy Usage, page 33
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
Water Consumption GRI 3: Material Topics 2021/GRI 303: Water and Effluents 2018		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 33
GRI 303: Water and Effluents 2018	303-5 Water consumption	Sustainability Report: Water Consumption, page 33
Climate Change GRI 3: Material Topics 2021/GRI 305: Emissions 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 32
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report: Greenhouse Gas Emissions, page 32
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
Waste Management GRI 3: Material Topics 2021/GRI 306: Waste 2020		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 34
GRI 306: Waste 2020	306-3 Waste generated	Sustainability Report: Waste Management, pages 34 and 35
	306-4 Waste diverted from disposal	
	306-5 Waste diverted to disposal	
Talent Attraction and Retention GRI 3: Material Topics 2021/GRI 401: Employment 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 36
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report: Talent Attraction and Retention, page 37
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
Workplace Health and Safety GRI 3: Material Topics 2021/GRI 403: Occupational Health and Safety 2018		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, pages 39 and 40
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report: Workplace Health and Safety, pages 39 and 40
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-9 Work-related injuries	
	403-10 Work-related ill health	

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GRI Standard	Disclosure Number & Title	Section Reference
Training and Development GRI 3: Material Topics 2021/GRI 404: Training and Education 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, page 38
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report: Training and Development, page 38
	404-2 Programmes for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
Regulatory Compliance GRI 3: Material Topics 2021/GRI 406: Non-discrimination 2016/GRI 408: Child Labour 2016/GRI 409: Forced or Compulsory Labour 2016		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Materiality Assessment, pages 36 and 42
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report: Talent Attraction and Retention, page 36
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Sustainability Report: Regulatory Compliance, page 42
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainability Report: Regulatory Compliance, page 42

TCFD RECOMMENDATIONS CONTENT INDEX

Code	TCFD Recommendations	Page Reference
Governance		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	27
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	27
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	pages 28 to 31
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	pages 15, 16 and 32
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	